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**CENTRAL INTELLIGENCE GROUP**

**INTELLIGENCE REPORT**

25X1

**COUNTRY** Germany (Russian Zone) **DATE:** 1 August 1947

**SUBJECT** Status of the Neptun-Werft at Rostock **DIST.** 1000000

**ORIGIN** [Redacted] **SUPPLEMENT** [Redacted]

**CONFIDENTIAL**

This document is hereby regraded **INFO.** CONFIDENTIAL in accordance with the October 1973 from Director of Central Intelligence to the Archivist of the United States. Next Review Date: 2003

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1. One department of the Neptun-Werft AG at Rostock employs approximately 2,000 men on the production of submarines for the Russians. Equipment for test runs is also produced and the submarines are tested in the Rostock area. Two submarines were finished and delivered between 20 May and 5 June 1947.
2. [Redacted] at the end of May 1947, personnel strength of the Neptun-Werft was approximately 3,200 men; there had been an increase aimed at raising employment to the 7,000-8,000 figure predicted for the fall of 1947 by General Director Pfeiffer. Neither was there a lay-off or a cessation of military production as was planned when an Allied Commission was scheduled to visit the yards a few months ago.
3. For the last two weeks, it has been rumored that the Neptun-Werft may be dismantled and shipped, possibly to Leningrad, and that all present personnel may accompany it. The workers are inclined to believe these rumors because they have been impressed by the unusual amounts of groceries, textiles, work clothes, tobacco, and other items recently made available to them - amounts said to be above average even for employees of Soviet AG's. They are inclined to regard this generosity as bait for eventual deportation.
4. Although the Neptun-Werft's chief work during May was the repair of small Soviet fleet vessels - at the end of the month, eight Russian torpedo boats were laid up for repairs - a few new minesweepers were almost completed and keels were laid for two fishing cutters destined for use by fishermen in the Rostock-Warnemunde area.
5. For the last two months the Neptun-Werft has found it difficult to procure material, especially sheet metal. Some material has been obtained through barter: in mid-May the Rostock oil mills delivered 30,000 liters of oil, originally scheduled for human consumption in the economic plan for the second quarter. This was mixed with some undescribed agent and then used as lubricating oil.

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